



# A Strong Voice for Missouri

Attorney General  
**Jay Nixon**



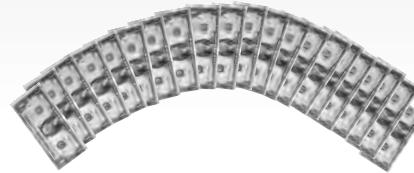
# Protecting taxpayer money

One way the Attorney General's Office protects  
Missourians is by saving money for taxpayers.

## Saving money in 2007



For every dollar appropriated,



The AG's Office in 2007  
saved or generated \$20.84.

Total 2007 state appropriation **\$20,884,614**

Total generated or saved by  
the Attorney General's Office

**(By division) \$435,124,003**

Agriculture and Environment	\$176,978,786
Consumer Protection	22,251,418
Financial Services	15,424,123
Governmental Affairs	157,240,646
Labor	30,111,799
Litigation	15,813,956
Public Safety	17,303,275

# A Strong voice

for Missouri

By Attorney General  
**Jay Nixon**

**As Attorney General**, I represent the legal interests of the state and its citizens. While private attorneys often advocate on behalf of individuals, the Attorney General represents the interests of Missourians as a whole. I do this by aggressively enforcing the laws of this state and protecting the safety and well-being of all our citizens.

This is not a one-person job. It requires a team with skill, intellect and a devotion to public service.

This is not a job for the timid. It requires courage and commitment to stand for the common good over the wants of any one individual, business, or special interest. It requires a commitment to justice, regardless of the consequences. And it requires the ability and the courage to speak with a strong voice for Missouri.

In this 2007 Annual Report, you will learn many of the ways in which the attorneys and staff of this office have demonstrated the commitment, skill and courage to speak with a strong voice for Missouri.

## **A strong voice for consumers**

A fair and just marketplace, where businesses compete on a level playing field, is essential to a productive business environment. By aggressively enforcing our state's consumer protection laws, the Attorney General speaks with a strong voice for Missouri consumers and Missouri businesses.



Attorney General Nixon is the longest-serving Attorney General in Missouri history. He was first elected in 1992.

## **A strong voice for the environment**

Missouri has a strong tradition of protecting our land, water and air resources. When this tradition is threatened by unsound environmental practices, when clean air and clean water laws are broken, or when the public is harmed from an environmental disaster, Missourians turn to the Attorney General's Office, where they are represented with a strong voice.

## **A strong voice for safety**

Competent, experienced attorneys provide a strong voice for those who have been crime victims, both in prosecuting at trial and in arguing to uphold convictions and sentences in the appeals process. Prosecutors from my office assist in the most complex criminal cases in every corner of our state, working tirelessly to provide a strong voice for crime victims and a strong voice for justice.

## **A strong voice for taxpayers**

Efficient, effective government requires professional and qualified employees whose commitment saves taxpayer dollars. I am proud that the Attorney General's Office succeeds in giving taxpayers their money's worth. In 2007, that commitment resulted in our office saving or generating for taxpayers \$20.84 for every dollar appropriated to us.

## **A strong voice for good government**

Good government requires good people and good policies. The Office of Attorney General works to enforce the laws that enable our government to work openly, honestly and for good of the public.

By speaking with a strong voice, we were able to make great strides in these and many other areas. This report is a record of those accomplishments on behalf of the people of this great state. I am pleased to provide you with A Strong Voice for Missouri, the 2007 Annual Report of the Attorney General's Office.

Sincerely,





Construction continues on the Katy Trailhead Park east of the Missouri State Capitol. It will include a statue commemorating the Lewis and Clark Expedition Bicentennial.



# Inside 2007 ANNUAL REPORT

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The Missouri Office of the Attorney General is an equal opportunity employer.



## Consumer protection efforts return millions to Missourians

The Attorney General's Office serves as the primary consumer protection agency for the citizens of Missouri. Attorney General Nixon has returned millions of dollars each year to consumers through actions taken in court or through informal mediation.

In 2007, Nixon's staff recovered \$9.3 million in restitution for consumers through efforts outside the courtroom. This amount surpassed the previous record amount for restitution recovered through informal mediation, \$5.4 million in 2006. Since taking office in 1993, Nixon has returned over \$42 million to consumers through informal mediation efforts.

"This has been outstanding work by a team of professionals who are dedicated to helping Missouri consumers," Nixon said. "Missourians have well-placed confidence in our Consumer Protection Division to serve as their strong voice on consumer issues, and the numbers show that confidence is well-earned."

Besides the \$9.3 million returned to consumers through informal mediation, the office obtained judgments of \$8.95 million in restitution through legal action brought by the consumer division. Besides the \$18.2 million for consumers, the office also obtained judgments of \$2.5 million in penalties for Missouri schools, \$1.2 million for consumer law enforcement and consumer education, and \$364,213 for antitrust law enforcement.

### Aggressive action after ice storm price-gouging brings refunds

January saw one of the most severe ice storms in state history. Many residents of southwest and central Missouri who went days — and in some cases, weeks — without power were hit again by price gouging. Nixon's office received over 400 consumer complaints alleging price gouging, mainly along the I-44 corridor between Joplin and Lebanon.

Nixon filed lawsuits against hotels, hardware and rental stores and gas stations that allegedly charged excessive prices for



Nixon announces legal action taken against price gougers.

gasoline, kerosene, generators, motel rooms and tree-trimming services. As a result, he recovered almost \$170,000 in consumer restitution, penalties and payments to the state.

**“Missourians have well-placed confidence in our Consumer Protection Division to serve as their strong voice on consumer issues, and the numbers show that confidence is well-earned.”**

**— Attorney General Nixon**



## No Call program continues to stop unwanted telemarketing calls

The year 2007 saw more than 2.6 million Missouri households on the



No Call team being protected from unwanted telemarketing calls.

Now in its seventh year, Attorney General Nixon's No Call program has been held up as a model for other states.

Through aggressive enforcement of the law by Nixon, Missouri has recovered more than \$1.7 million from telemarketers who violated the No Call law, and kept the program free for Missourians. Besides paying money for violations, seven telemarketers also were barred from making calls into Missouri.

Nixon also urged the Missouri General Assembly to expand the No Call law to include automated "robo-calls," text message ads, cell phones and junk faxes to protect Missourians.

## Joplin furniture customers get merchandise, refunds

Over 230 consumers filed complaints with the Attorney General's Office after Ashley Furniture store in Joplin closed without notice in May. Within just a few days, Nixon sued to recover either the furniture or refunds for consumers.

Many customers received their furniture after Nixon's office contacted the corporate headquarters of Ashley Furniture Industries, which was not a defendant, but which responded by sending in trucks to deliver several thousand dollars worth of furniture to Joplin-area customers. Store owners Dennis and Linda Casey were ordered to pay \$15,000 in restitution.



Nixon announces the donated Hannah Montana tickets. He is joined by representatives of the four recipient charities, from left: Gavin Steketee and Greg Smith of the Dream Factory of Greater Kansas City; Michael Lawrence of Big Brothers Big Sisters of Greater Kansas City; Sheriece Moses of the Boys & Girls Clubs; and Wendy Weber of the Make-A-Wish Foundation.

## Nixon steps in to ensure fair distribution of concert tickets

An agreement with Ticketmaster assured that nearly 3,000 extra tickets to Hannah Montana concerts in St. Louis and Kansas City were made available to the public at face value.

Dozens of consumers had complained to the Attorney General's Office after they discovered that the only concert tickets available immediately after the tickets officially went on sale were being sold

through brokers at greatly inflated prices.

Nixon also took action against three brokers alleging they violated state consumer protection laws and local scalping ordinances.

Settlements with two of the brokers provided four charities that serve children with more than 90 tickets so many of those children could see Hannah Montana in concert.

# A Strong voice For Consumers

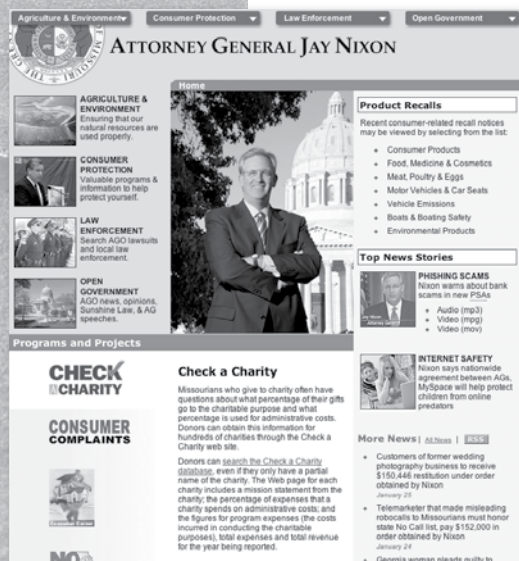
## Nixon holds charities, fundraisers accountable

The Attorney General's Office took action to hold several charities, raffles and fundraisers accountable:

- Directors of the Nest Egg Giveaway raffle in Kansas City — in which an expensive loft in a downtown building was supposed to be raffled — were ordered to pay restitution and penalties of more than \$100,000 to refund buyers of tickets after the raffle was never held.
- Gateway to a Cure was ordered to pay \$2 million in restitution for operating a high-dollar raffle that stretched over several years without awarding prizes.
- Robert L. Winters was sentenced to four years in prison for placing bogus collection boxes for Special Olympics in Joplin-area retailers. Winters, his brother and another man placed the boxes in various shops after representing to retailers that money collected in the boxes would be turned over to Special Olympics, but they did not pass the funds along to charity.



- Darwin Ballard of St. Louis was ordered to stop advertising and selling \$300 raffle tickets after it was discovered that he intended to use the proceeds from the raffle to benefit himself.
- Gerald Lami of St. Charles, who did business as Police Tribune, was ordered to pay \$50,292 in restitution and was prohibited from operating as a fundraiser after soliciting donations over the phone and misrepresenting that the caller was a police officer.
- Nixon sued James Barbee of Carpinteria, Calif., after Barbee solicited donations online for what he claimed would be a rural retreat in Phelps County for military members returning from war. Barbee did not own the property in Missouri, which he named Liberty Spirits Farm, and was not registered to solicit donations.



## WHAT MISSOURI CONSUMERS ARE SAYING:

“It was such a pleasure to see such a professional Web site to help consumers with problems.” — **Deborah J.**

“We wanted to thank you very much for all the work you did toward getting our refund back. ... We appreciate it very much!” — **Jayce P.**

“I greatly appreciate your hard work and dedication to solving this matter.” — **Alma C.**

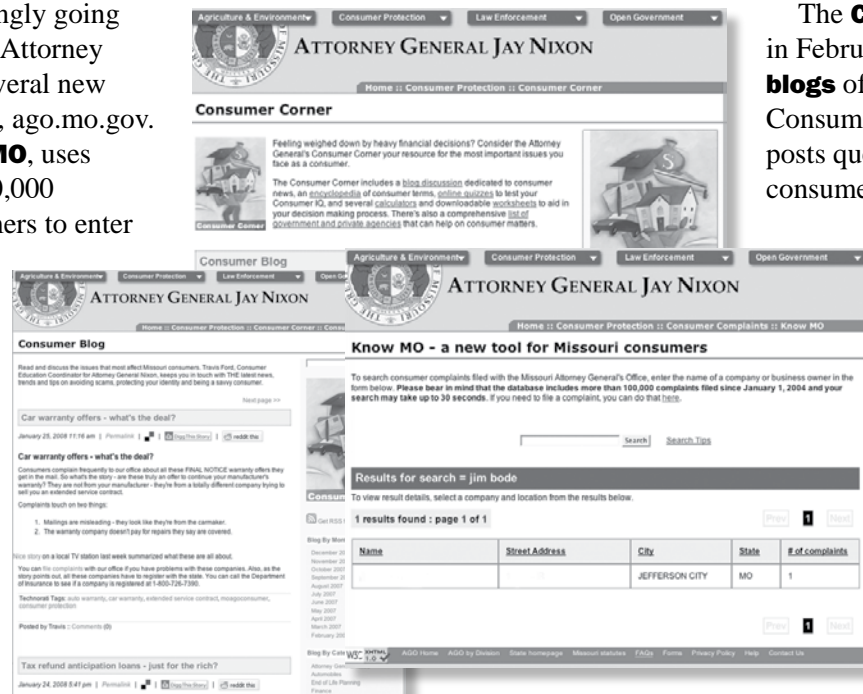
“I know if it weren't for your office I would never have been able to get this roofing company back to make repairs.” — **Sharon A.**



# New online tools from Attorney General help consumers

With consumers increasingly going to the Web for information, Attorney General Nixon launched several new online tools on his Web site, ago.mo.gov.

One new feature, **KnowMO**, uses a database of more than 100,000 complaints to allow consumers to enter the name of a business or individual to see if complaints have been filed against them with the Attorney General's Office.



The **Consumer Corner** was unveiled in February, and included one of the first **blogs** offered by a state Attorney General. Consumer education coordinator Travis Ford posts questions and answers of interest to consumers, many of which are submitted by consumers.

Consumer Corner also includes an encyclopedia of terms, debt calculators, worksheets to help with purchases, and several online quizzes for consumers to test their knowledge.

## More than \$300,000 recovered for homeowners

Homeowners across the state who were victimized in home repair scams received more than \$300,000 in restitution, thanks to action taken by the Attorney General's Office in criminal and civil cases. Prominent cases included:

- Christopher Branton of St. Louis pleaded guilty to four felony counts and was ordered to pay \$72,033 in restitution. Nixon's office received complaints that Branton defrauded 49 consumers in his spray-on siding business.
- Dan Sanders of Salem pleaded guilty to 11 counts of defrauding consumers while running his home repair business and was ordered to pay \$60,000 in restitution.
- Michael and Kay Jackson, who did business in Springfield as Dogwood Homes, were ordered to refund \$110,925 to consumers after accepting payment from customers for manufactured homes but failing to deliver them as promised.
- On-Call Home Services of St. Louis was ordered to repay more than \$18,000 to 89 area homeowners who did not receive the home protection plan services that they paid for to cover costs of repairs.
- Brian Ecker of St. Louis was ordered to pay more than \$117,000 and permanently barred from the swimming pool construction business under a permanent injunction obtained by Nixon. Consumers paid Ecker thousands of dollars to install, renovate, maintain or construct swimming pools. They got shoddy, incomplete or, in some cases, no work.



The Taum Sauk reservoir was breached in December 2005, extensively damaging Johnson's Shut-Ins State Park.





# Nixon's office vigilant in protecting land, water, air for Missourians

Right after taking office in 1993, Attorney General Nixon created the first-ever environmental protection division within the AG's Office. Over the years, attorneys and staff in the division have been vigilant in enforcing the law to protect Missouri's land, water and air resources for the present and future generations.

The current name of the division, the Agriculture and Environment Division, reflects its expanded mission to also protect and enhance Missouri agriculture. Missourians have come to expect leadership from the Attorney General's Office in standing up for Missouri's environment and agriculture.

## Historic settlement with Ameren resolves Taum Sauk reservoir issues

Attorney General Nixon reached a historic settlement with the state's largest utility, Ameren Corp., that resolved the issues surrounding the catastrophic collapse of the utility's Taum Sauk reservoir atop Proffitt Mountain.

The total dollar value of the settlement is more than \$175 million, plus the value placed on rebuilding the reservoir (estimated at \$450 million) so the power plant can continue to generate electricity.

The December 2005 collapse sent more than a billion gallons of water rushing through nearby Johnson's Shut-Ins State Park, extensively damaging the park and destroying the residence of the park superintendent and injuring him and his family.

Tourism in the area near the park was adversely affected the next summer as only part of the park was opened as cleanup and reconstruction were taking place.

The goals of Nixon (the three R's) were clear from the beginning:

- That there be fair **recompense** for the state of Missouri and for the local populace that suffered losses;
- That Ameren be required to **rebuild** the reservoir, which was built in the early 1960s with ratepayer money; and
- That Ameren's **ratepayers** not have to shoulder any of the costs associated with the settlement or the rebuild of the reservoir.

Nixon said he was pleased that the settlement his office reached with Ameren in November 2007 accomplished all three goals.

Ameren will pay \$103 million to rebuild Johnson's Shut-Ins State Park, \$11.8 million for Missouri state parks, \$6 million for the Department of Conservation, \$7 million for tourism and economic development in the area affected by the collapse, and \$5 million for education in Reynolds County.

In addition, Ameren will pay the state \$18 million to expand the Katy Trail west between Windsor and Pleasant Hill.

“Missourians have come to expect leadership from the Attorney General's Office in standing up for Missouri's environment and agriculture.”

— Attorney General Nixon





Because proper management of the Missouri River is vital for agriculture, flood control, navigation and drinking water supplies in the Show Me State, Attorney General Nixon has been a leader for 15 years in standing up for Missouri's interests.

He has gone to court several times to be Missouri's voice as the U.S. Army Corps of Engineers has made changes to its Master Manual for the river's operation and its Annual Operating Plan.

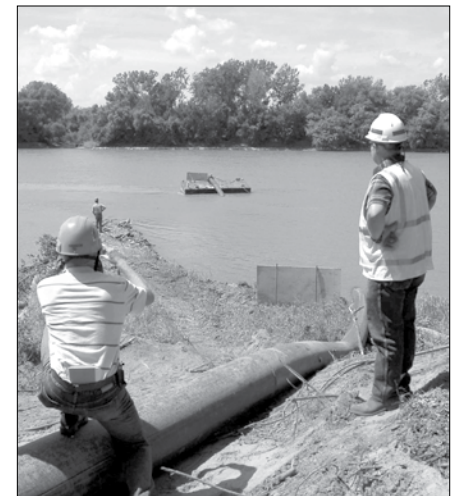
In October, Nixon asked the Corps of Engineers to suspend its planned "spring rise" in 2008 because the Corps still needed to act to repair at least 40 levees on the river in Missouri that were damaged by flooding in May. The Attorney General also said the Corps must act quickly to approve the necessary permits to repair those levees.

The spring rise, which is called for by the Corps' draft Annual Operating Plan for the river, results in more water being released from upstream reservoirs. Nixon said the Corps needed to allow more time for the levees to be repaired and for a full analysis of what additional flood

control restrictions are required to protect Missourians.

Nixon also successfully demanded that the Corps of Engineers stop directly dumping sediment into the Missouri River as part of the Jameson Island chute project near Arrow Rock.

The Corps said the project would help the endangered pallid sturgeon, but Nixon and farmers who have land along the river worried that it would lead to an increased risk of flooding.



The Corps of Engineers halted a plan to dump 5 million tons of soil into the Missouri River, under pressure from Nixon and farmers.

“Developers have an obligation to be good stewards of our natural resources and not let our streams and lakes be polluted because they failed to control runoff.”

— Attorney General Nixon



## Developers penalized: Runoff polluted waterways

Developers on both sides of the state paid hefty penalties for failing to keep runoff from their construction sites from polluting Missouri waterways.

● The settlement with **J.H. Berra Construction** included a \$590,000 penalty — the largest of its kind in state history.

The Attorney General's Office teamed with the Environmental Protection

Agency, U.S. Department of Justice and the city of Wildwood to bring legal action against Berra Construction and several related businesses after sediment washing off their sites polluted Chesterfield Lake and tributaries of Dardenne Creek in St. Louis County and Rock Creek in Jefferson County.

Besides the record penalty, the defendants were required

to clean up pollution caused by the sediment and take steps to prevent runoff at all their sites.

● Nixon obtained a \$40,000 judgment against **Parker Construction**, a developer that failed to control runoff from a subdivision being built in Blue Springs from polluting a tributary of Burr Oak Creek.

"Developers have an obligation to be good stewards



Runoff polluted nearby waters at a Berra construction site.

of our natural resources and not let our streams and lakes be polluted because they failed to control runoff," Nixon said.

## Public protected from potential methane problems near old landfills

As landfills are closed and then the property developed, methane and other explosive gases can become a problem if not managed correctly.

● Nixon obtained a court order in Jackson County to require the developer of an upscale residential subdivision and golf course being built on two landfill sites to investigate and control the migration of methane and other subsurface gases.

Concerns were raised at **The Links at Stone Canyon** development in Independence that methane was migrating near a sewer line that runs toward two nearby schools. The developers were required to stop residential construction and take immediate steps to determine any migration and control it.

● In St. Louis County, the owner of a demolition landfill that was nearly full was ordered to complete installation of a gas management system to adequately control methane. Nixon said **Peerless Landfill** would continue to generate gases even after it closed, and that it was vital to have adequate monitoring wells in place to track any gas migration.

The landfill owner also had to pay \$71,000 in penalties and for the state's investigative costs.

## Carthage turkey plant penalized \$25,000

Attorney General Nixon quickly enforced one of the provisions of a landmark settlement with Renewable Environmental Solutions to make the turkey processing plant in Carthage pay a \$25,000 penalty for a new odor violation.

In 2006, RES paid \$100,000 in penalties as part of a consent judgment obtained by Nixon, the largest penalty paid in Missouri for odor violations.

Under pressure from Nixon and the city of Carthage, RES also implemented



RES has implemented significant odor control equipment at its plant.

significant odor control equipment at its plant, which converts turkey parts into biofuel. Carthage residents had made numerous complaints about the plant odor.

The judgment also required RES to pay

\$25,000 each time it was cited again for odor violations by the state — a penalty two and a half times normally allowed under state law. After RES was again cited for an odor violation in 2007, Nixon moved quickly to ensure it would pay the stipulated penalty.

**"The cooperation with the Attorney General's Office has been greatly appreciated. Our lawsuit with the Attorney General for the odors emanating from this plant helped reduce the odors significantly, and we continue to work with Attorney General Nixon and his staff to resolve this odor problem for the benefit of the citizens of Carthage."**

Carthage Mayor **James Woestman**



## AG's Office committed to ensuring safety of Missourians

The Attorney General's Office is aggressive in its efforts to help ensure the safety of Missourians. This mission includes:

- Working with local prosecutors to bring criminals to justice.
- Keeping sexually violent predators committed for treatment and away from the public.
- Seeking to decertify unfit teachers, physicians and other licensed professionals.
- Helping local law enforcement and prosecutors with drug and computer crime cases.
- Arguing before the state appellate and federal district and appellate courts to have the sentences of convicted criminals upheld.

### State attorneys obtain murder convictions

Several murderers were convicted in 2007 in cases where the Attorney General's Office had an active role, including:

- **Denise Hanna** of Carter County received life in prison plus 10 years after being convicted of second-degree murder and armed criminal action for devising a plan for her son to murder her husband.
- **Brandon Anderson** was convicted in Daviess County of second-degree murder and kidnapping for the abduction and murder of a man near Pattonsburg. He was sentenced to life in prison plus 15 years.
- Inmate **Isreal Oden** was sentenced to 30 years for the prison killing of another inmate.
- **Patrice Seibert** was convicted of second-degree murder and arson for her involvement in the death of a young man staying in her home in Phelps County. The fire was set to cover up the death of Seibert's severely disabled son.

### Child deaths lead to convictions

- **Curtis Elliott** received 18 years in prison after being convicted of abuse of a child resulting in death for his role in the death of his girlfriend's 4-month-old child in Webster County. The baby died from blunt force trauma to the head.
- **David Wakeland** was convicted of endangering the welfare of a child for his role in the medical neglect of his girlfriend's 3-month-old child, who died of pneumonia in Carroll County. He received a seven-year prison sentence.

“We must continue to push for new and more sophisticated methods of fighting crime. This is no time to turn back — when criminals and child abusers are using the Internet to commit brutal acts of crime.”

— Attorney General Nixon





Attorney General Nixon speaks at the 20th annual Law Enforcement Memorial Service. To the right is Atchison County Sheriff Dennis Martin, who sang the National Anthem. Above right photo: Officers with the Jefferson City Police Department await the beginning of the service with officers of the St. Louis Metropolitan Police Department who presented the colors.



“This ceremony stands as a reminder that in every decade, every generation and every century, there are those who take on the responsibility for the safety of society — quietly and without fanfare, they face danger every day to protect us.”

— **Attorney General Nixon**

## Public protected from unfit professionals through discipline

- One of the teachers decertified was a defrocked priest, **James Beine**, formerly of St. Louis. Although his criminal convictions of indecent exposure and possession of child pornography had been overturned, the Attorney General presented evidence to the State Board of Education of sexual abuse of a minor and inappropriate sexual contact with a minor in a successful attempt to have his license revoked.
- Springfield psychologist **Thomas DeVol** lost his license after the state appeals court upheld a decision by the State

**The Attorney General's Office takes action to protect Missourians from unfit professional license holders, including the decertification of 25 teachers and two psychologists.**



Committee of Psychologists. The Attorney General's Office had argued

that DeVol was incompetent, shared confidential information, borrowed money from clients, and improperly billed patients.

- The Attorney General also successfully defended a decision terminating the participation of surgeon **Ronald Gaskin** in the Missouri Medicaid program. Gaskin had been disciplined by the Missouri Board of Healing Arts for committing malpractice during bariatric and other surgeries. Part of the discipline restricted him from performing surgery.

## State appellate courts uphold convictions for murder, sex crimes

Among the convictions successfully defended by the Attorney General's Office in the state appeals courts were:

- The forcible sodomy conviction of former high school math teacher **Alan Gurski**. Gurski invited a 16-year-old boy to his home to watch a movie, gave him a drugged drink, then sodomized the boy when he was incapacitated.
- The first-degree burglary, first-degree assault and attempted forcible rape convictions of **Jason Ingram**, who broke into the home of a 99-year-old St. Joseph woman and assaulted her.
- The second-degree murder conviction of **Ryan Ferguson**, who was convicted along with another high school student in the murder of Kent Heitholt, the sports editor of the Columbia Daily Tribune.
- The first-degree murder convictions of **Carla Clay**, who killed her two infant children by suffocating them with a teddy bear and a pillow.
- The convictions for attempted second-degree statutory sodomy and attempted enticement of a child of **Billy Joe Ward**. Ward thought he was meeting a 13-year-old girl at a truck stop for a sexual liaison; he was instead met by an undercover agent and arrested.



Attorney General Nixon listens to crime victim Pat Combs tell hundreds of people gathered in the Capitol rotunda about how crime had impacted the lives of her and her family. Praising the courage of crime victims and their families, Nixon helped lead the annual ceremony at the Capitol during National Crime Victims' Rights Week. Nixon pledged to continue the work he has done on behalf of Missouri crime victims in his 15 years as Attorney General.

## AG's Office gets death sentences upheld for five killers

The convictions and death sentences for five murders were upheld by the courts after arguments by the Attorney General's Office.

- **Joseph Franklin's** conviction and death sentence for his 1977 shooting rampage at a synagogue in St. Louis County were upheld by the Eighth U.S. Circuit Court of Appeals. The appeals court reversed a lower court ruling.
- The convictions and death sentences of Good Samaritan murderers **Allen Nicklasson** and **Dennis Skillicorn** were affirmed in separate opinions by the Eighth Circuit. The pair killed

Richard Drummond, who had offered them roadside assistance.

- **John Middleton's** conviction and death sentence for his 1995 killing of a potential witness to a drug prosecution were upheld by the Eighth Circuit. He was previously sentenced to death for killing two other witnesses. All three death sentences have now been upheld.
- The conviction and death sentence of **Walter Barton** were upheld by the state Supreme Court. He was convicted of the 1991 stabbing death of an 81-year-old woman in Christian County.



## Developer who used illegal workers ordered to pay almost \$1 million

Attorney General Nixon obtained the conviction of a developer on tax-fraud charges related to his hiring undocumented workers at a Lake of the Ozarks condominium project.

Michael Schlup was ordered by the court to pay more than \$980,000 in back taxes, penalties and prosecution costs after pleading guilty to 14 felony charges brought by Nixon and the local prosecutor.

Nixon said the conviction and sentence sent a strong message to employers in Missouri who break the law.

## Sexual predators committed for treatment

The Attorney General's Office was successful during 2007 in having 18 sexually violent predators committed for continued treatment at the state mental health center in Farmington.

Some 94 predators were in commitment at the end of 2007. Among those committed was Richard Arnold, a prior sex offender from St. Louis County who refused out-patient treatment for his pedophilia and was placing himself in close proximity to children.



Kansas City Police Chief James Corwin presents Attorney General Nixon with a ceremonial police baton after the two met to discuss law enforcement issues.



## High-tech unit trains law enforcement, helps with technical investigations

Missouri law enforcement again counted on the technical expertise of the Attorney General's High-Tech Crime Unit to help in specialized

investigations and forensic examinations for crimes involving computer evidence.

The unit opened 58 investigations and 28 forensic

examinations in 2007, and provided training presentations to prosecutors and law enforcement groups, such as the Tri-State Major Case Task Force.

“As crime victim advocates, there is no greater person that we hold more important than the victims we work with each day. We believe each victim deserves our honesty, kindness, patience and integrity. We become their voice at times when it is too difficult for them to speak.”

— **Brenda Porter**, chief victim advocate for the AG's Office





# A Strong voice For Taxpayers

## Attorney General's Office committed to protecting taxpayers' money

Safeguarding Missouri taxpayer resources in an efficient and effective manner has been a hallmark of Attorney General Nixon's tenure. One measure of that success has been the amount of money saved or generated for taxpayers for every dollar appropriated to the operation of the office.

In 2007, the Missouri Attorney General's Office saved or generated \$20.84 for every dollar appropriated to it. This section highlights some of the examples of acting as a strong voice for taxpayers.

### Tobacco money fills state coffers

The landmark settlement that Nixon reached in 1998 with the major tobacco companies continues to reap monetary gain for Missouri.

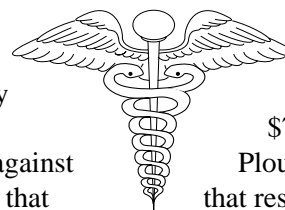
In 2007, those manufacturers paid more than \$138 million to the state — bringing the total payments brought in by Nixon to Missouri to more than \$1.2 billion.

The Attorney General also obtained more than \$16.6 million in escrow payments from tobacco companies that were not part of the original settlement, and a penalty judgment of more than \$631,000 from a Uruguayan cigarette maker that was found to have violated the law.

### Over \$14M recovered in Medicaid fraud cases

The Attorney General's Medicaid Fraud Control Unit continued to be a national leader in recovering money for taxpayers.

The unit pursues cases against individuals and businesses that defraud the Medicaid program. Based on the most recent national data available, the unit ranked first in the region and second nationally in the amount it recovered in Medicaid fraud cases compared to the amount of federal grant dollars it received.



Among the Medicaid fraud recoveries in 2007 for the Attorney General's Office were \$7.3 million from Schering-Plough Corp. in a settlement that resolved allegations about off-label marketing and best price misrepresentations; and \$5.8 million from Purdue Pharma in a settlement that addressed concerns about misleading marketing of the company's pain medication Oxycontin.

A 13-foot-tall statue of Thomas Jefferson in front of the Capitol sits across the street from the office of Attorney General Nixon.





The Attorney General's Office defends corrections officers who are sued by inmates. Above is Algoa Correctional Center near Jefferson City.

## Lawsuits against police, corrections officers turned back

The Attorney General's Office represents corrections officers and officials against lawsuits filed by inmates, some of whom seek thousands — or even millions — of dollars in damages. Most of the claims are dismissed by the courts on motions by the Attorney General, and the state prevails in most cases that make it to trial.

In one case, a jury found in favor of

corrections officers and against an inmate who claimed the officers used excessive force when they pepper-sprayed him and that they did so in retaliation for filing grievances. He sought \$20,000 in damages.

The evidence proved he was pepper-sprayed after he exposed himself to an officer and threatened to urinate on her.

The office also defends police officers

in Kansas City and St. Louis who are sued for their official actions. In one case, assistant attorneys general defended officers against a plaintiff's claim that the officers had no reasonable suspicion to stop his car, no probable cause to arrest him, and used excessive force in the arrest. He sought damages of more than \$50,000 from the defendants. The case was tried to a jury and resolved in favor of the officers.

## School funding formula upheld

A three-year-long lawsuit by more than 200 school districts challenging the state's method of distributing aid to its public schools ended in October with a trial court ruling favorable to the state and taxpayers.

After a seven-week trial, the court agreed with Attorney General Nixon and

found that educational funds in Missouri were rationally distributed, that the state was spending 25 percent of its revenues to fund education as required by the state Constitution, and that Missouri's funding formula did not violate the Constitution.



# A Strong voice For Taxpayers

## AG's Office ensures proper payouts from Second Injury Fund

The Attorney General's Office protects state taxpayers by working to determine the correct amount of compensation for injured workers and by defending the state's Second Injury Fund from paying unsubstantiated and false injury claims.

In one case, the office saved taxpayers from paying more than \$300,000 in medical bills that were covered by insurance.

When an over-the-road driver for Schott Farms died from injuries suffered in an accident, Schott Farms alleged that another company, Alliance Savings, was its workers' compensation carrier.



Alliance claimed the worker was not covered because he was a new hire and the paperwork had not been completed prior to his death.

If the employer was found to be uninsured, those medical bills would have been the responsibility of the Second

Injury Fund.

An administrative law judge found that Schott Farms and Alliance were co-employers and that Alliance was responsible for the medical bills, with no liability for the Second Injury Fund.

## Company defaults on state loan agreement, ordered to repay

When Northern Technologies defaulted on a \$367,000 loan from the state Department of Economic Development, the Attorney General's Office sued to protect taxpayers' interests.

Northern Technologies operated a manufacturing plant in Houston, Mo., and the loan agreement required the company to not only repay the loan but also to create 39 jobs. The company defaulted on both obligations.

Nixon won the lawsuit and obtained an order of summary judgment against the company.

## Medicaid recipient who improperly received benefits repays them in full

Many of the recoveries made by the Attorney General's Office do not require the filing of a lawsuit. One such case concerned a man who applied for and received \$13,000 in Medicaid benefits, but who failed to reveal that he owned certificates of deposit and bank accounts totaling more than \$54,000.

The Department of Social Services reached an agreement with him to repay the money in \$100 monthly payments — a process that would have taken 12 years.

When the man failed to make a single payment, the matter was referred to the Attorney General. Within three weeks of the referral, staff from the office secured payment in full from the man without the need for a lawsuit.



## Assets recovered from inmates since 1993



### Inmates pay over \$853,000 for their care

Attorney General Nixon recovered \$853,508 in 2007 from inmates who had the resources to pay for their upkeep. Since taking office in 1993, Nixon has recovered more than \$5.7 million from inmates under the Missouri Incarceration Reimbursement Act.

## Missouri inmates with assets pay for their upkeep

Taxpayers continued to benefit in 2007 from Attorney General Nixon’s aggressive pursuit of inmate assets to pay for their cost of incarceration.

Staff recovered more than \$853,000 in assets including claims from lottery winnings, inheritances, lawsuit settlements and bank accounts.

Among the recoveries were:

- \$48,554 from Nick E. Johnson, who inherited part of his father’s estate. Johnson was sentenced for stealing a motor vehicle, assault, stealing and multiple drug

possession counts.

- \$31,570 from Christopher Wyland, who was an heir to an estate. He was sentenced on multiple counts of involuntary manslaughter.
- \$23,090 from Matthew Davis, from rental property he owns. Davis was sentenced for abandonment of a body and multiple counts of possession of a controlled substance.
- \$17,172 from Jesse Wayne Smith, who received a workers’ compensation settlement. He was sentenced for multiple counts of

second-degree assault.

The Missouri Incarceration Reimbursement Act allows the Attorney General to take legal action to recover up to 90 percent of an inmate’s assets after any obligations to spouse or children are met.

The average annual cost of incarceration in the Missouri Department of Corrections is about \$15,000 per offender.

Since taking office in 1993, Nixon has recovered more than \$5.7 million in MIRA actions from Missouri inmates.



**A Strong  
voice**  
**For Public & Non-  
profit interests**

## Attorney General's Office committed to protecting public, nonprofit resources

The Attorney General serves as the steward for nonprofit assets in Missouri, and takes action to ensure that the interests of Missourians are protected through compliance with state laws by charitable trusts, foundations and nonprofit organizations.

Two of the most notable examples of action by Attorney General Nixon resulted in the creation of the two largest health-care foundations in Missouri.

The Missouri Foundation

for Health and the Health Care Foundation of Greater Kansas City were both created when Nixon intervened in cases involving the proposed conversion or sale of nonprofit assets to for-profit purposes.

The foundations are now using more than \$1.5 billion in assets to help provide health-care services to underserved populations of the state.

The Attorney General also takes action on behalf of the interests of all Missourians by protecting threatened public resources.



The disputed MKT railroad bridge spans the Missouri River in Boonville.

### **Fight continues to save historic railroad bridge**

The Attorney General's Office continued its fight to save the historic MKT railroad bridge at Boonville. Attorney General Nixon sued to stop the giveaway by the Department of Natural Resources of the state's interest in the bridge to the Union Pacific Railroad.

The Attorney General says the 1987 agreement between the state and the MKT Railroad, the predecessor to Union Pacific, that

led to the creation of the 220-mile-long Katy Trail obligates Union Pacific to leave the bridge in place.

Nixon has been joined in that position by three former directors of the Department of Natural Resources, by the former vice president of property management for the MKT Railroad, and by Pat Jones, one of the major private donors for the creation and development of the Katy Trail.



# African-American archives gain firmer footing, new home

Attorney General Nixon was instrumental in revitalizing the Black Archives of Mid-America, one of the nation's premier collections of documents and artifacts chronicling African-American history.

Nixon stepped in after learning that financial difficulties and other problems were threatening the condition of the Archives' documents and artifacts.

To place the Archives on firmer footing, Nixon held two public hearings in Kansas City, where the Archives are located. More than 400 people attended the hearings, and 100 people responded to Nixon's call for applications to be on the board of directors.

The Attorney General swore in the members of the reconstituted board in January 2007, setting the organization off with a clearer purpose and mission.



A slave cabin is part of the Black Archives exhibit.

mission.

In December, Nixon helped board members and community leaders break ground for a new home for the Black Archives in Kansas City's historic 18th and Vine District.



Attorney General Nixon joins civic leaders and members of the Black Archives Board of Directors in breaking ground for its new location. Barbara Peterson (third from left), the widow of Black Archives founder Horace Peterson, is the board president.



After Nixon gave the opening remarks and swore in the new members, the board of directors met in January 2007. Among the directors are (seated from left) Crosby Kemper III, board president Barbara Peterson and Airick West.

## Intervention by Attorney General helps Carthage Humane Society get back on track

The Attorney General's Office concluded a yearlong investigation into allegations of mismanagement and a lack of financial control at the Carthage Humane Society by entering into an agreement with the organization to put it back on the right track.

The agreement, which was filed

with the court, would allow the Humane Society to move forward to fulfill its charitable purpose and return to its role as a vital community asset, Nixon said.

After Nixon began the investigation, the Humane Society took steps to correct some previous breaches of duty, such

as regaining its tax-exempt status and putting another director on the board with bonafide financial expertise. Under the agreement, two directors stepped down from the board and more stringent financial standards for the Humane Society's operation were put into place.



## Attorney General Nixon's initiatives, education efforts benefit families

Many of the initiatives and efforts of the Attorney General's Office in 2007 directly benefited Missouri families – through increased education and awareness, through aggressive action in the courts, and through groundbreaking agreements.

### Agreements with colleges empower students and their parents

Concerns that college students and their families who must take out student loans were not able to make fully informed choices about borrowing led the Attorney General to reach agreements with 27 institutions of higher education in Missouri.

The agreements will help protect more than 175,000 current students and many



Nixon announces an agreement reached with Washington University.

thousands of future students by ensuring that the colleges and universities abide by codes of conduct that provide families with sufficient information about borrowing options and prohibit certain activities that would steer borrowers to lenders who may have arrangements with the schools.

### Nixon's High Tech Crime Unit helps parents, students avoid online dangers

Staff of the Attorney General's High Tech Crime Unit traveled to schools throughout Missouri to provide public awareness seminars about online dangers.

Several thousand teachers, school

officials, parents and students were provided with practical information to help them avoid online predators and other dangers posed by unsupervised and careless use of the Internet.

### Action on child support modification benefits thousands of Missouri children

Attorneys and staff in the Child Support Modification Unit obtained orders in child support modification and paternity cases that generated

\$22.7 million in additional child support — a 17 percent increase from 2006 — and which impacted the lives of 3,280 children.



# Welcome Home provides answers to adoption questions

Prospective adoptive parents gained a new resource in 2007 to help explain the legal, financial and emotional aspects of the adoption process in Missouri.

*Welcome Home*, a free 26-page booklet produced with the help of adoption experts working with Attorney General Nixon, was unveiled in July by Nixon and members of the Task Force on Adoption.

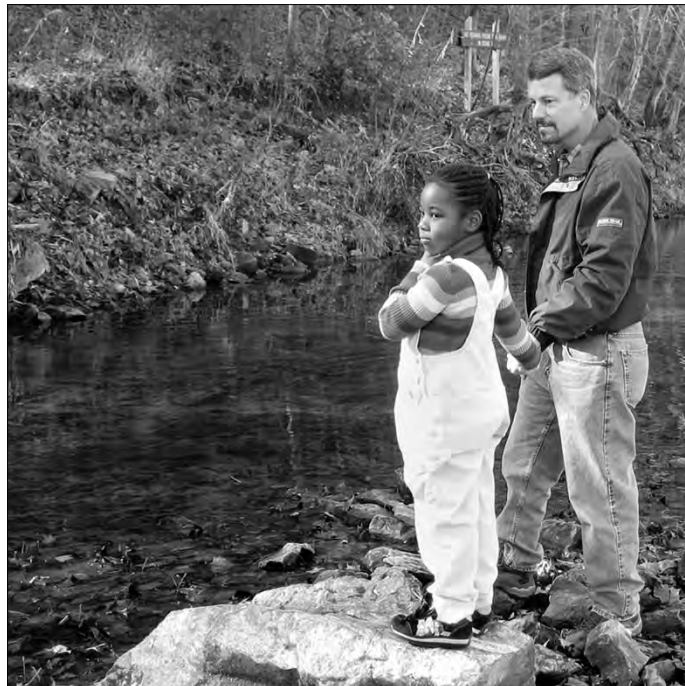
Nixon said *Welcome Home* answers many basic questions adoptive parents may have, including explanations on the types of adoption, the typical fees to adopt, what is involved in an international adoption, and about the rights of birth parents.



The statewide Adoption and Foster Care Coalition during its annual conference recognized Nixon for his initiatives to educate Missourians about the adoption process. From left are Jan Motl of Catholic Charities of Kansas City, Nixon, and Jan Scheurer of the Adoption and Foster Care Coalition.



Andrew, left photo, was adopted through Catholic Charities in Kansas City when he was 13 days old. Aaron, right, and Ryan, who are two months apart in age, were adopted from Guatemala.



The experiences of four Missouri families who adopted were featured in *Welcome Home*. Above is Kurt with Kyah, whom he and his wife first fostered. At the right are St. Louis adoptive mother Joan with siblings Ashe and Rahel, bottom photo, who are from Ethiopia.

“*Welcome Home* is unquestionably a significant achievement that benefits all people touched by adoption, including birth parents, adoptive parents, family and friends, churches, courts and many others. This guide will help promote understanding and support for the process and practice of adoption.”

— **Jan Scheurer**, president of the Adoption and Foster Care Coalition





## Commitment to openness in government continues in 2007

Providing greater access for Missourians to the workings of government has always been a high priority of Attorney General Nixon's office.

In 2007, the office continued its efforts to help public officials, the media and Missouri citizens understand the Open Meetings and Records Law – better known as the Sunshine Law – to help those officials and agencies covered by the law comply with its provisions.

As another way to further good government, the Attorney General's Office also launched several Web pages in 2007 to help Missourians obtain important information through the Internet and to submit inquiries and complaints online.

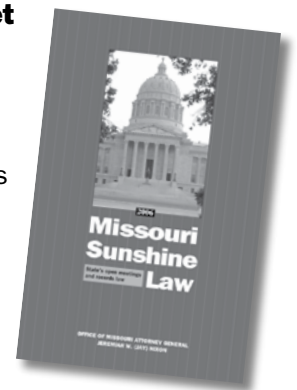
### **Nixon's staff addresses questions from public officials, citizens, media**

Trained staff at the Attorney General's Office handled 239 inquiries on the Sunshine Law via telephone, letter, e-mail and fax in 2007. More than half of those inquiries came from public officials seeking answers about compliance questions.

Staff also helped citizens and members of the media in resolving Sunshine Law questions or issues. In the past three years, the office has assisted with over 1,100 such inquiries.

#### **Free booklet**

Nixon's office distributed at no charge more than 25,000 copies of the Sunshine Law booklet, which is published by the Attorney General's Office.



“Officeholders, boards, agencies and organizations covered by the Sunshine Law should always strive to keep the public's business public. My office has taken an active role to ensure compliance with the Sunshine Law, while providing guidance and training about the law on a regular, ongoing basis.”

— Attorney General **Jay Nixon**



# Office educates officials to help them comply with law

ATTORNEY GENERAL  
JAY NIXON'S

## ETHICS

IN GOVERNMENT  
2007 CONFERENCE

For elected officials

Some 370 local public officials attended the Ethics in Government conference held in Jefferson City on Jan. 9.

It was the largest group yet to attend one of the conferences, which Attorney General Nixon has provided as a free public service over the past 10 years.

Officials who attended the conference learned from and were able to ask questions of experts from the Attorney General's Office on such subjects as the Sunshine Law, nepotism, conflicts of interest, residency requirements,



During the daylong Ethics in Government seminar, participants heard a media perspective on the Sunshine Law from three veteran Capitol reporters. From left are Terry Ganey, Columbia Daily Tribune; Kermit Miller, KRCG-TV; and David Lieb, Associated Press. The three discussed the Sunshine Law and took questions from the audience.

environmental issues and record-keeping requirements.

Assistant attorneys general also presented 22 other training sessions on

Sunshine Law compliance to groups of public officials around the state. About 1,200 people received training from the Attorney General's Office at the sessions.

## Online resources expand to meet Missourians' needs

Missourians who went to the Attorney General's Web site, ago.mo.gov, in 2007 found more online tools to help answer their questions. The site has become one of the most viewed in Missouri state government, with more than 9.5 million page requests in 2007.

New features to the Attorney General's Web site included:

- A database of Attorney General opinions, dating back to 1974.
- An Employer Workforce Accountability Form to make it easier for Missourians to report employers who attempt to take unfair or illegal advantage of their employees or of their business competitors who play by the rules.
- No Call list verification for Missourians who want to verify that their home telephone numbers are on the No Call list.
- A one-stop clearinghouse to check on recent recalls of consumer products.



### Missouri Sunshine Law

#### Missouri's commitment to openness in government

Missouri's Sunshine Law is the embodiment of Missouri's commitment to openness in government. And Chapter 610 of the Revised Statutes of Missouri is the foundation become known as Missouri's Sunshine Law.

#### Missouri Sunshine Law website

The Missouri Sunshine Law portion of the Attorney General's website is a resource to help Missourians understand Missouri Sunshine Law and its implications for Missouri's public and quasi-public governmental bodies, members of those bodies, those that conduct business with a public governmental body and private citizens.

In particular, this website contains:

- A summary of the Missouri Sunshine Law in plain English so that non-lawyers can understand Chapter 610 of the Revised Statutes of Missouri
- An indexed text of RSMo Chapter 610, so that

### Registration Lookup for No Call List

Find out if your residential phone number is on Missouri's No Call List. Just enter your phone number below and submit.

Area  Prefix  Suffix

**IMPORTANT NOTE:** Missouri's No Call law applies to Missouri residential phone numbers owned by private individuals only. Missouri No Call law does not apply to business phone numbers, cell phone numbers or fax numbers.

It may take 7-10 business days for new registrations to show up on the No Call Lookup. This page was last updated on January 28, 2008.

For more information read the No Call FAQs or take the No Call Quiz.

"It is the public policy of this state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless..."



# About the Divisions

Agriculture & Environment

Litigation

Criminal

Consumer Protection

Labor

Governmental Affairs

Financial Services

Public Safety

## Agriculture & Environment Division

**MISSION:** To protect and enhance Missouri agriculture and the beneficial use of our natural resources now and in the future by vigorously enforcing the law and advocating responsible public policy.

### About the division

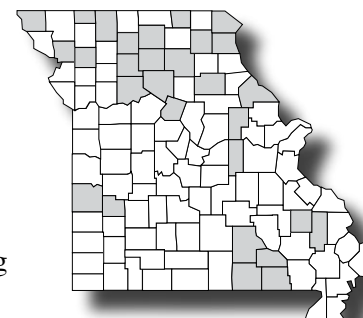
The Agriculture and Environment Division aggressively protects Missouri's natural resources. Attorneys take legal action to stop pollution of the state's air, water and soil and penalize polluters through fines, penalties and, in the most serious cases, incarceration.

The division also works to protect and enhance Missouri agriculture by enforcing the law and advocating responsible public policy.

### 2007 in review

Division attorneys recovered nearly \$177 million in penalties, damages, costs and other payments in 2007. Included in this amount was about \$175 million through the historic settlement with Ameren Corp. over the 2005 failure of the Taum Sauk reservoir above Johnson's Shut-Ins State Park.

The division had active cases in 85 counties and the city of St. Louis in 2007. Division attorneys won or resolved on terms favorable to the state more than 95 percent of its cases in 2007, resolving 501 cases, opening another 574 and handling 1,200 cases total.



Counties where division had cases



“The staff of the Agriculture and Environment Division zealously advocate for the protection of Missouri's natural resources and to enhance the quality of life for all Missourians.”

Division Chief Counsel **Joe Bindbeutel**



# Litigation Division

**MISSION:** To provide quality representation to the state, its agencies and employees; to protect and enhance the ability of public servants to do their jobs while advancing justice for the citizens of the state and the state's sovereign interests; and to provide expertise and resources to other divisions in the Attorney General's Office.

## About the division

The Litigation Division defends the state and its agencies and employees against thousands of lawsuits each year, and handles some of the most complex issues facing the state, including:

- Defending constitutional challenges to state laws.
- Advancing the state's interest in complex cases.
- Defending lawsuits filed by state prisoners.
- Defending the state in employment and tort cases.

## 2007 in review

The biggest trial court decision obtained by the Litigation Division in 2007 was a ruling by the Cole County Circuit Court on the state's formula to fund public education. More than 200 school districts challenged the formula in a lawsuit filed in 2004. After a seven-week trial, the court agreed with the Attorney General's arguments and found that the formula did not violate the Missouri Constitution.

Division attorneys also successfully defended the state of Missouri and the Secretary of State in a lawsuit brought by

the U.S. Department of Justice over maintenance of voter lists. The federal district court agreed that the state and the Secretary of State had complied with the requirements of the National Voting Rights Act and dismissed the case.

The division also was aggressive in its defense of those who uphold the law in Missouri, including favorable decisions in more than 150 cases by inmates against corrections officers or officials, or other state officials. Almost all these claims were dismissed without trial.



“The Litigation Division is the voice of the citizens of Missouri, who expect a strong defense of government decisions and actions that are right, but with which some may not agree.”

Division Chief Counsel **Gail Vasterling**



# About the Divisions

Agriculture &  
Environment

Litigation

**Criminal**

Consumer  
Protection

Labor

Governmental  
Affairs

Financial  
Services

Public Safety

## Criminal Division

**MISSION:** To successfully defend the punishment of those lawfully convicted of crimes, to safeguard and refine the criminal laws of this state in the interest of justice, and to educate, coordinate and communicate with prosecutors, judges, law enforcement agencies and victims.

### About the division

The Criminal Division represents the state in every felony case appealed to the Supreme Court of Missouri and Missouri Court of Appeals, whether those cases were handled at trial through the prosecuting attorney or through the Attorney General's Office acting as special prosecutor.

The division also provides a page on the Attorney General's Web site, [ago.mo.gov](http://ago.mo.gov), to answer frequently asked questions about the appeals process in Missouri.

### 2007 in review

Division attorneys defended 706 felony appeals in state appellate cases, including several convictions for murder and other violent crimes. In December, the Missouri Supreme Court upheld the death penalty conviction and sentence of Walter Barton. He was convicted of the 1991 stabbing death of an 81-year-old woman who was the manager of a mobile home park in Ozark.

Division attorneys also successfully defended the conviction of Ryan Ferguson, who was found guilty of second-degree murder after a highly publicized trial in Columbia. Ferguson and another defendant, Charles Erickson, were convicted of the Halloween 2001 murder of Kent Heitholt, sports editor of the Columbia Daily Tribune. The two were high school students at the time of the murder.



“The Criminal Division directly protects Missouri citizens and their communities by defending hundreds of lawfully imposed judgments and sentences every year. Criminal Division attorneys give a voice to the interests of crime victims and all citizens in upholding the fair and orderly administration of justice.”

Division Chief Counsel **Shaun Mackelprang**



# Consumer Protection Division

**MISSION:** To promote a free, fair and open marketplace by aggressive enforcement of Missouri's consumer protection laws and by advocating for consumers and educating the public, and to protect citizens by enforcing compliance with state laws by charitable trusts, foundations and nonprofit corporations.

## About the division

The Consumer Protection Division represents the state in consumer fraud and antitrust cases. Among the cases the division pursues:

- Civil lawsuits and criminal prosecutions against businesses and individuals who defraud consumers through the advertising and sale of products and services.
- Investment fraud.
- Antitrust matters and mergers.
- No Call law violations.
- Protection of charitable trusts and nonprofit assets.

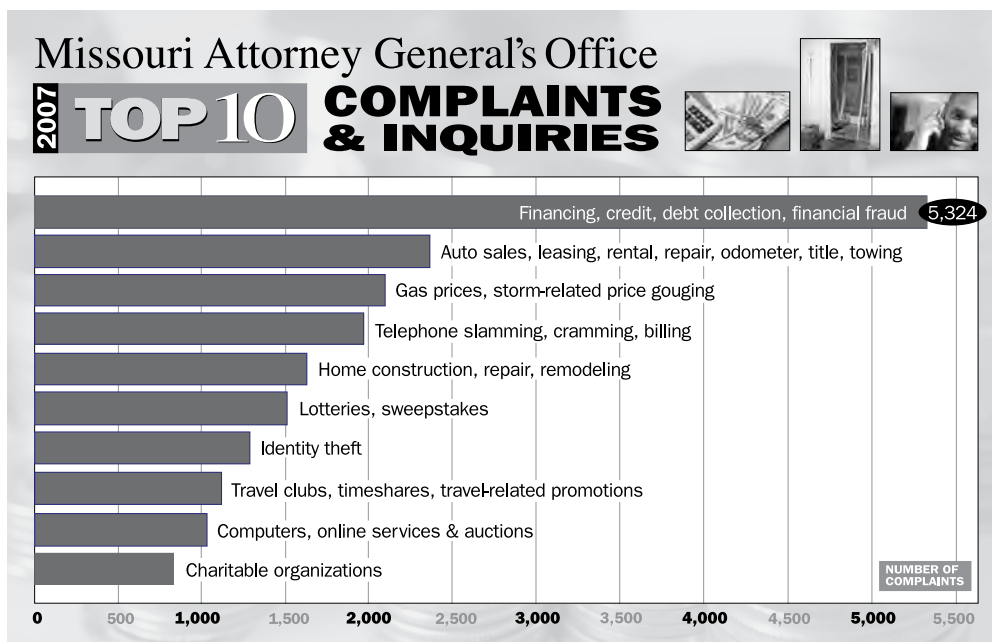
## 2007 in review

The Consumer Complaint Unit recovered \$9.3 million in restitution through mediation efforts, surpassing the record set in 2006 by almost \$4 million. These cases returned money to consumers without the need to file lawsuits.

The unit, which serves as an advocate at no charge to consumers facing disputes with businesses, handled almost 100,000

complaints and inquiries in 2007, including 63,156 calls to the Consumer Protection Hotline, 14,932 online complaints, 11,419 written complaints, and 10,486 e-mails.

Consumer attorneys also obtained, through court-ordered judgments: \$8.95 million in



consumer restitution, \$2.48 million in penalties to benefit Missouri schools, \$1.15 million for consumer education and enforcement efforts, and \$364,213 in antitrust penalties.

The total saved or generated for taxpayers in 2007 by the division was \$22.25 million.



“Our goal is to represent all Missouri consumers and obtain redress, regardless of the nature of the complaint, the age of the victim or the amount of the loss.”

Division Chief Counsel **Doug Nelson**



# About the Divisions

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## Labor Division

**MISSION:** To protect the interests of Missouri workers by paying the appropriate amount from the Second Injury Fund, to protect the interests of state employees by paying the appropriate amount from the Workers' Compensation Fund, and to handle all of these cases in a timely and fair manner.

### About the division

Labor Division attorneys protect Missouri workers by defending the Second Injury Fund in more than 30,000 claims cases. The fund compensates injured workers when a current work-related injury combines with a prior disability to create an increased combined injury.

Division attorneys protect Missouri workers by making sure funds are available to help them when they are injured. Undeserving workers who misrepresent their injuries and their ability to work are denied funds or receive reduced funds.

Division attorneys provide general counsel and litigation services for the Missouri Department of Labor and Industrial Relations and its officers and agencies, as well as provide general counsel and advice to the Central Accident Reporting Office of the Office of Administration. The division represents CARO in workers' compensation claims filed by state employees.

### 2007 in review

Attorneys for the Labor Division closed 13,290 cases in 2007, including 12,575 Second Injury Fund cases and 715 state employee workers' compensation cases.

The division opened 11,897 Second Injury Fund cases during the year and 875 workers' compensation cases.

In one example where division attorneys prevailed in 2007, the Second Injury Fund was brought in because the employer was allegedly uninsured. The judge, however, found that the insurance carrier would be responsible for paying the worker's medical bills.

While the insurer had attempted to cancel the policy and sent cancellation notices to the insurance agent, the insurer continued to take checks from the insured for premium payments.

The judge ruled that the cancellation of the policy was not valid because the insurance company continued to accept premiums.



“The Labor Division protects and defends the Second Injury Fund to make sure that money is available to compensate injured workers in Missouri.”

Division Chief Counsel **Lee Schaefer**



# Governmental Affairs Division

**MISSION:** To protect the safety and well-being of Missourians by ensuring professionals adhere to state laws; helping the most vulnerable get good care; enforcing state ethics and campaign finance laws; ensuring appropriate Medicaid reimbursement; and providing representation, advice and legal support to state agencies and officials.

## About the division

The Governmental Affairs Division protects citizens' safety and well-being by:

- Ensuring that professionals adhere to state laws and disciplinary rules.
- Enforcing state ethics and campaign finance laws.
- Removing care givers who abuse or neglect vulnerable citizens.
- Helping mentally ill or physically challenged Missourians obtain guardians to help get care.
- Ensuring appropriate Medicaid reimbursement.
- Enforcing the provisions of the tobacco Master Settlement Agreement and state law requiring certain tobacco manufacturers to establish escrow accounts.
- Representing the Missouri Lottery Commission.
- Handling teacher certification cases.

## 2007 in review

The division protected Missourians in 2007 by obtaining the revocation of 30 professional licenses and having 15 other licenses suspended. Division staff closed 30 cases before the Missouri Ethics Commission, and recovered \$1.25 million through Medicaid litigation.

Division attorneys also brought more than \$138 million to Missouri through the annual payments from the 1998 settlement obtained by Attorney General Nixon with the nation's largest tobacco manufacturers. Through 2007, those payments have totaled more than \$1.2 billion. Another \$16.6 million from manufacturers that are not part of the settlement was put into escrow to help protect possible future claims by the state.

## Division attorneys represent professional licensing boards

- Accountancy
- Acupuncturist
- Architects, Professional Engineers, Land Surveyors and Landscape Architects
- Office of Athlete Agents
- Office of Athletics
- Barbers and Cosmetologists
- Licensed Clinical Social Workers
- Commission for the Deaf & Hard of Hearing
- Dental
- Dieticians
- Embalmers and Funeral Directors
- Endowed Care Cemeteries
- Geologists
- Registration for the Healing Arts
- Healing Arts Advisory Committees
- Hearing Instrument Specialists
- Interior Design Council
- Marital and Family Therapists
- Massage Therapists
- Nursing
- Nursing Home Administrators
- Occupational Therapy
- Optometry
- Pharmacy
- Podiatry
- Committee of Professional Counselors
- Division of Professional Registration
- Psychology
- Real Estate Appraisers
- Real Estate Commission
- Respiratory Care Practitioners
- Speech Interpreters Committee
- Tattooing, Body Piercing and Branding
- Teacher Certification
- Veterinary Medical Board

## Attorneys represent officials, departments, agencies

### DEPARTMENTS & DIVISIONS

- Elementary and Secondary Education
- Health and Senior Services
- Mental Health
- Social Services
- Vocational Rehabilitation

### AGENCIES

- Lottery Commission
- Petroleum Storage Tank Insurance Fund



“We are given the opportunity every day to speak for Missourians, many of whom otherwise would have no voice. Our work protects them from being harmed by the improper or illegal actions of others, looks after their interests by ensuring that the state provides appropriate resources, and upholds the integrity of state government for all Missourians through our legal counsel and representation.”

Division Chief Counsel **Jane Rackers**



# About the Divisions

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## Financial Services Division

**MISSION:** To protect and advance the interests of the state and its citizens through the aggressive pursuit, recovery and preservation of state assets, public funds and child support obligations.

### About the division

The Financial Services Division protects Missourians by:

- Recouping money owed to the state, state officers or state agencies, including providing collection services for several divisions of the Attorney General's Office and more than 40 other state agencies.
- Litigating to modify and enforce child support obligations.

The division provides more information about its collection and child support modification programs in a frequently asked questions section on the Attorney General's Web site, [ago.mo.gov](http://ago.mo.gov).

### 2007 in review

In 2007, division attorneys aggressively pursued collection of money owed to the state or its agencies, including \$10.6 million in debt recovered from probate estates; \$1.2 million collected in child support payments; and \$853,000 recovered from Missouri inmates with assets to pay for their incarceration.

The Missouri Incarceration Reimbursement Act authorizes the Attorney General to seek reimbursement for an inmate's cost of care. Division attorneys bring in several hundred thousand dollars each year to the state through pursuit of inmate assets.

The division's Child Support Modification Unit, which pursues cases referred to it by the Family Support Division of the Department of Social Services, obtained 1,715 orders of support modification, an increase of 12 percent from 2006. Those orders, along with those in paternity cases and in cases where child support needs to be established, generated \$22.7 million in 2007 and impacted the lives of 3,280 children.



“The Financial Services Division takes great pride in protecting and advancing the interests of the state for the benefit of the people of Missouri, including children and custodial parents through our child support efforts; and families, workers and all taxpayers through our efforts to collect money owed to the state of Missouri.”

Division Chief Counsel **Kip Stetzler**



# Public Safety Division

**MISSION:** To be aggressive and fair prosecuting in the interest of justice; to assist and educate law enforcement and prosecutors in their role of protecting the public; to defend law enforcement from unwarranted interference and judgments in civil litigation; and to be responsive to the needs of crime victims.

## About the division

Public Safety Division attorneys assist local prosecutors in serious or difficult trials and grand jury proceedings. They also:

- Prosecute workers' compensation fraud and noncompliance cases.
- Represent the Department of Public Safety, including the Highway Patrol.
- Train law officers and state troopers and produce an issues-oriented Front Line Report.
- Assist law enforcement and prosecutors with meth and high-tech crime cases.
- Prosecute abuse and neglect of nursing home residents and Medicaid fraud cases.
- Civilly commit sexually violent predators.
- Represent the state in habeas appeals filed by convicted prisoners.

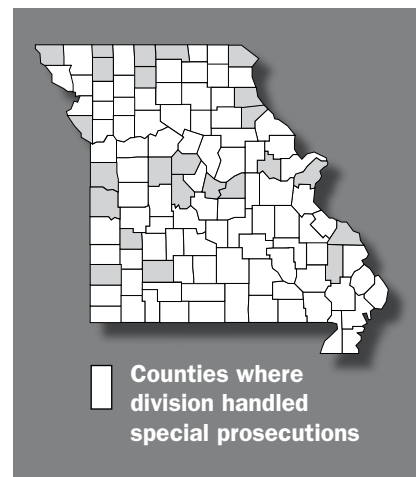
## 2007 in review

The Public Safety Division handled 703 special prosecutions in 90 Missouri counties and the city of St. Louis in 2007, including obtaining convictions in seven murder and 46 meth cases. Division attorneys assist local prosecutors in complicated trials or are appointed as special prosecutors when there is a conflict of interest. This legal work saved counties about \$2.9 million in 2007.

Attorneys from the division defended 582 habeas petitions in state and federal court by inmates challenging the constitutionality of their felony convictions. Among these were six death sentences that were upheld in federal court.

Division attorneys also obtained commitments for 18 individuals shown to be sexually violent predators. Those committed by the court have the right to have their cases reviewed annually to determine if their mental abnormality has so changed that they are not likely to commit acts of sexual violence if released.

The Medicaid Fraud Control Unit collected \$14.1 million and obtained five



criminal convictions and 10 civil fraud settlements in pursuing allegations of fraud against the Missouri Medicaid program.

Division attorneys also took action against employers who violated the law by not obtaining required workers' compensation insurance and against employees attempting to fraudulently obtain workers' comp benefits. They obtained 26 criminal convictions and collected more than \$297,000.



“Our goal is to ensure that crime victims not only have a strong voice in the justice system, but that they are heard.”

Division Chief Counsel **Andrea Spillars**

## JANUARY

**Jan. 4:** Attorney General Nixon obtains a consent judgment requiring Yellow Pages Inc. to stop deceptive marketing practices and pay full restitution to consumers who file complaints.

**Jan. 8:** Nixon asks the Missouri State Board of Education to hold a hearing to revoke the teaching and counselor certificates of James Beine, a former St. Louis-area teacher who possessed child pornography and had inappropriate sexual contact with a minor. On **Oct. 12**, the Board of Education revokes Beine's certificates.

**Jan. 9:** Nixon announces that the Black Archives of Mid-America has a reconstituted board of directors to provide leadership for one of the country's premier



Nixon visits with Bob Kendrick, center, marketing director for the Negro Leagues Baseball Museum, and Pellom McDaniels, a Black Archives board member and history professor at the University of Missouri-Kansas City and a former player for the Kansas City Chiefs.

# A Year-end Review for 2007

For more details about these events, go to [ago.mo.gov](http://ago.mo.gov).



## OUTSTANDING EMPLOYEES



Attorney General Nixon named Windy Woodard as an outstanding employee. She is in the Jefferson City office.

### Outstanding employees

Attorney General Nixon recognized two staff members in 2007 for their contributions to the office and the state. They are Windy Woodard, a secretary in the Consumer Protection Division, and Susan Frizzell, a legal secretary in the Labor Division.



Susan Frizzell is in the Springfield office.

collections of documents and artifacts chronicling African-American history. On **Jan. 25**, the Attorney General administers the oath of office to the reconstituted board of directors. On **Dec. 4**, Nixon helps break ground in Kansas City for a new home to the Black Archives of Mid-America.

**Jan. 9:** Over 370 local public officials attend Nixon's Ethics in Government conference in Jefferson City. It was the largest group to attend one of several ethics conferences Nixon has provided for free over the past 10 years. Three veteran Capitol reporters — Terry Ganey of the Columbia Daily Tribune, Kermit Miller of KRCG-TV, and David Lieb of the Associated Press — gave the media's perspective on the Sunshine Law.

**Jan. 10:** Darwin L. Ballard is permanently prohibited from advertising and selling raffle tickets in Missouri after Nixon sues him for advertising \$300 raffle tickets in the St. Louis area but allegedly intending to use the proceeds from the raffle to benefit himself.

**Jan. 19:** Alton Louis Vaughn is indicted on eight counts of unlawful merchandising practices by the Greene County grand jury for allegedly defrauding individuals into paying him more than \$60,000 for legal services, although he was not licensed to practice law.



## Sexually violent predators committed by Attorney General's Office

**Jan. 4:** A Warren County jury finds James Ellis to be a sexually violent predator and commits him to the state treatment center in Farmington after Nixon's office seeks to



have Ellis committed as a predator. Ellis served 15 years in prison for raping an 11-year-old girl.

**Jan. 23:** Jamin Shafer of McDonald County, previously found to be a sexually violent predator, must remain committed for treatment. Nixon opposed Shafer's release from confinement.

**March 27:** A Butler County judge finds Donnie Dunivan of Poplar Bluff to be a sexually violent predator and commits him to the state treatment center in Farmington.

**June 11:** A Greene County jury finds Duewey Warren of Springfield to be a sexually violent predator and commits him for treatment.

**Aug. 17:** An Adair County judge finds Richard Wheeler of Kirksville to be a sexually violent predator and commits him for treatment.

**Aug. 31:** A judge in Macon County finds Randy Wolfe of Moberly to be a sexually violent predator and commits him for treatment.

**Jan. 19:** Nixon's office looks into more than 100 complaints concerning price gouging of gasoline, kerosene, generators, motel rooms and tree-trimming services after recent ice and snow storms. On **Feb. 15**, as part of the ongoing investigation, Nixon sues several southwest Missouri businesses. On **May 14**, seven of the businesses agree to pay \$92,754 for alleged price gouging. On **July 18**, five businesses agree to pay \$29,931 in price-gouging settlements with Nixon.

**Jan. 22:** Christopher Branton, doing business as St. Louis Exteriors, pleads guilty to four felony counts charging him with taking payment to install siding to homes but then performing shoddy, incomplete or no work.

**Jan. 24:** Nixon sues Vickie and Jonathan Nash, who do business as Salez-4-U Advertising Service, for selling Internet advertising to small businesses based on false guarantees. On **Feb. 16**, they are barred from operating in Missouri and their bank accounts are frozen under a preliminary injunction obtained by Nixon. On **March 13**, the Imperial couple is permanently barred from the advertising business in Missouri and

ordered to pay more than \$24,000 in restitution and penalties.

**Jan. 24:** More than 600 students from 30 high schools across Missouri had a unique opportunity to not only hear Nixon talk about what his office does for Missourians, but also to ask him questions.

**Jan. 26:** The federal district court denies a request to keep Missouri officials from

enforcing the state's funeral protest law. The law — passed in 2006 and named after Spc. Edward Lee Myers, a Missouri soldier killed in Iraq — sets criminal restrictions on picketing funeral locations.

**Jan. 26:** Nixon obtains a temporary restraining order against Fred McNew, owner of Missouri Fire Extinguisher Co. in Cabool. He was paid to recharge and service fire extinguishers of area consumers but then failed to do so.

**Jan. 29:** Consumers who bought tickets in a high-profile raffle sponsored by Gateway to a Cure may apply for restitution from the St. Louis-based charity, under a court order obtained by Nixon.

**Jan. 30:** Nixon addresses hundreds of people in the Capitol Rotunda who lobbied legislators on behalf of Missouri children during Child Advocacy Day 2007.



**Jan. 24:** Brent Ghan of the Missouri School Boards Association moderates a Webcast to students that featured Attorney General Nixon.

## FEBRUARY

**Feb. 5:** Nixon presents a \$3.1 million check to the Missouri Department of Social Services as part of a nationwide Medicaid fraud settlement with Schering-Plough, maker of the popular anti-allergy medication Claritin.

**Feb. 6:** The owners of Asphalt Paving and Asphalt Maintenance are sued by Nixon for defrauding consumers in the sale and installation of asphalt driveway surfaces.

**Feb. 20:** Thomas and Patricia Wallach, owners of Midwest Scrap Metal, face a lawsuit by Nixon's office for failing to properly dispose of thousands of scrap tires.



**Feb. 28:** Nixon and Kansas City Mayor Kay Barnes renew the call to cover automated political calls under the state No Call law. The two leaders talked to reporters about the recent spate of robo-calls in the Kansas City mayor's race, in which Barnes was not a candidate.

**Feb. 28:** Kansas City Police Chief James Corwin presents Nixon with a ceremonial police baton after the two met to discuss law enforcement issues.

# A Year-end Review for 2007



**Feb. 7:** State Sen. Rita Days of St. Louis talks about how her bill, SB96, would help Missouri families by capping allowable interest rates and placing other restrictions on payday loans. Also speaking in favor of legislation to reform Missouri's payday industry were Marylyn DeFeo, volunteer director of the Samaritan Center in Jefferson City; Attorney General Nixon; and Larry Weber, director of the Missouri Catholic Conference. Payday loan companies charge an average annual percentage rate of 422 percent.

## MARCH

**March 1:** Jeffery Clark, a former Clinton County deputy juvenile officer, is sentenced to three years in prison after pleading guilty to charges he stole money intended as restitution for crime victims and forged documents to steal funds.

**March 2:** Nixon sues the Gold Exchange for advertising and conducting a going-out-of-business sale since the middle

of 2006. On **March 6**, Nixon obtains a court order requiring the Springfield business to comply with consumer protection laws and pay \$1,000 to the state.

**March 6:** Nixon files charges against a former employee of the Buchanan County Prosecuting Attorney's Office for allegedly stealing \$30,000 from that office. On **June 27**, Holly Keller is sentenced to seven years in prison.

**March 15:** Nixon sues Mark Russell of Joplin for open burning violations and for using his property as a waste dump in defiance of a court order.

**March 16:** TracFone Wireless, a Florida-based telemarketer, agrees to pay \$50,000 for violating Missouri's No Call law.

**March 16:** Nixon speaks at the closing rally of the Child Abuse & Neglect Prevention conference, sponsored by the Children's Trust Fund and Missouri KidsFirst.



**March 28:** Nixon visits with an advocate for Missouri's disabled citizens on the steps of the state Capitol. Nixon spoke to a rally of advocates on Disabled Rights Legislative Day.



**March 22:** Nixon files criminal charges against Kevin Louderback for allegedly stealing the identity of his own brother and using the information to buy more than \$2,400 worth of computer equipment online.

**March 28:** Nixon is honored as the St. Francois County Law Enforcement Community Citizen of the Year.

**March 29:** The Missouri Funeral Trust and Duncan Funeral Home must fulfill contracts for pre-need funeral services in an agreement with Nixon.

## APRIL

**April 6:** Missouri farmers receive \$78,000 in restitution from a grain marketer whose franchisee signed contracts with farmers to market their grain, but never forwarded money that buyers paid for the crops.

**April 9:** Nixon sues a New York City company for allegedly altering contracts signed by Missouri businesses in order to obligate them to four-year leases that could not be canceled. On **Oct. 31**, Northern Leasing Systems agrees to pay \$25,000 in restitution and \$5,000 to the state in an agreement with Nixon.

**April 13:** Nixon joins other law enforcement agencies and victims' rights advocacy groups in commemorating



**March 30:** Legal secretary Mary Ann Wippermann marks 40 years in the Attorney General's Office with a celebration. Besides Attorney General Nixon, she worked for former Attorneys General Norman Anderson, John Danforth, John Ashcroft and Bill Webster, and also worked with U.S. Supreme Court Justice Clarence Thomas when he was an assistant attorney general. "Mary Ann has provided valuable help to generations of attorneys in this office, and they have learned from her years of experience," Nixon said.

the 2007 National Crime Victims' Rights Week during the week of April 22-28. On **April 24**, Nixon remembers crime victims and pledges to continue to fight for their rights during a speech in Lexington.

**April 13:** In a case originating from the Senior Sting Initiative, Nixon obtains a permanent injunction against Las Vegas resident Debra Grubbs, who billed herself as a psychic while attempting to bilk seniors out of money.

**April 19:** Tobacco payments to the state of Missouri, obtained for Missouri taxpayers as part of the Master Settlement Agreement, top \$1.2 billion.

**April 19:** JoAnn T. Gaylor, former administrator of a St. Louis nursing and rehabilitation center who pleaded guilty to taking more than \$80,000 from the trust funds of the center's residents, is ordered to repay that money.

**April 19:** Dogwood Homes will make good on its contracts with consumers under a preliminary injunction obtained by Nixon. The Springfield manufactured homes dealer accepted over \$50,000 in down payments from two consumers but failed to deliver the homes or refunds. On **Aug. 16**, new consumer complaints about Dogwood Homes spark more charges. On **Sept. 4**, Dogwood Homes must pay \$110,925 in refunds under an injunction obtained by Nixon.

**April 20:** Pro-Line Truck and Trailer of Butler must complete customizing work it was paid for under an order obtained by Nixon.

**April 20:** Nixon sues On-Call Home Services for taking money from homeowners for repair and replacement for household appliances but failing to provide the services as promised. On **June 26**, St. Louis-area consumers will receive over \$18,000 in restitution under an agreement between Nixon and On-Call Holdings.



**March 7:** Hispanic leaders from across Missouri met with Nixon to discuss issues such as immigration, consumer protection, racial profiling and the landlord-tenant law. Nixon explained how his office is doing consumer outreach to Missouri's growing Hispanic population.

**April 23:** Nixon reaches an agreement with Washington University in St. Louis to ensure that students and their families who borrow money for education costs are adequately informed and protected when choosing a lender. On **June 19**, Nixon and 31 other attorneys general urge the U.S. Senate to quickly pass the Student Loan Sunshine Act to safeguard students and their families from deceptive practices in the college loan industry. Between **June 20** and **Nov. 2**, Nixon enters into code of conduct agreements with 21 more Missouri colleges regarding the student loan industry. On **Oct. 22**, the University of Missouri system, the state's largest university system, adopts a code of conduct in an agreement with Nixon.

**April 25:** Nixon demands refunds for former customers of New Lady Fitness, a St. Louis-area women's fitness and health spa that collected membership fees in advance before suddenly going out of business.

**April 26:** Praising the courage of crime victims and their families, Nixon helped lead the annual ceremony at the state Capitol in observation of National Crime Victims' Rights Week.

# A Year-end Review for 2007



**May 5:** Law enforcement officers from around the state remember their fellow officers who died in the line of duty. Attorney General Nixon was the guest speaker at the 20th annual service held at the Law Enforcement Memorial on the Capitol grounds.

## MAY

**May 2:** Robert L. Winters is found guilty of two counts of merchandising practices fraud for placing fake Special Olympics collections boxes in retail businesses in the Joplin area in 2005 and is later sentenced to four years in prison on each of two counts of merchandising practices fraud. On **Nov. 14**, Darrell Winters is ordered to make a \$500 donation to Special Olympics Missouri for his part in the scam.

**May 10:** The developers of Briarwood Oaks Estates in Blue Springs will pay a \$15,000 penalty to the state, install any necessary erosion and storm water control measures, and control runoff from the site, for allowing erosion to pollute a tributary of Lake Tapawingo.

**May 14:** Nixon obtains an order freezing the assets of Ashley Furniture in Joplin, which closed, leaving many

customers without refunds or furniture they had paid for. On **May 21**, consumers start receiving furniture. On **Aug. 13**, a consent judgment ensures consumers will receive merchandise or restitution from Ashley Furniture.

**May 18:** After reviewing the investigative report on the Taum Sauk dam collapse compiled by the Highway Patrol and then meeting with Gov. Blunt, Nixon says he accepts the patrol's assessment that there is no suspect in the case, and the state will not pursue criminal charges. On **May 22**, the Department of Natural Resource's motion to intervene in the lawsuit filed by Nixon against Ameren is denied by a Reynolds County judge, clearing the way for the state's lawsuit to proceed. Nixon sued Ameren in December 2006 for damages resulting from the 2005 collapse of its Taum Sauk reservoir. On **Nov. 28**, Nixon announces that the state has reached a \$179,750,000 settlement of his lawsuit.



Workers survey the breached Taum Sauk reservoir.



**May 21:** Dan Sanders pleads guilty to defrauding St. Louis-area consumers in a home-repair scam; pays \$18,000 in restitution and is ordered to pay \$42,000 more before his sentencing date. On **Oct. 10**, Sanders pays back the remaining restitution.

**May 21:** Nixon seeks restitution for consumers who paid Heartwood Log Homes thousands of dollars to build log homes but received shoddy, incomplete results after months of delays.

**May 21:** Bruce Gales and Galez Towing are ordered to pay \$91,000 in penalties and restitution to consumers who paid too much for towing and storage costs or had their vehicles sold. They are barred from the towing business for 10 years.

**May 22:** Nixon says a \$45 million utility rate increase awarded to Ameren by the Missouri Public Service Commission is without merit. On **May 31**, Nixon files an appeal against the rate increase. On **July 16**, Nixon appeals the rate increase to the circuit court.

**May 24:** Nixon sues the owners of six gas station sites for allegedly violating the Missouri Underground and Petroleum Storage Tank Law, despite their being given numerous opportunities to comply.



**June 20:** Chief Deputy Attorney General Karen King Mitchell, third from left, is honored as one of the top assistant attorneys general in the country. The National Association of Attorneys General presented Mitchell with one of three Ray Marvin Awards given this year. From left are Georgia Attorney General Thurbert Baker, New Hampshire Attorney General Kelly Ayotte, Mitchell and NAAG executive director Lynne Ross.

**May 24:** Nixon demands refunds for Missouri consumers who bought vacuums through infomercials from Brass Logistics and Tactica International but who never received the products or refunds.

**May 30:** Nixon sues a Kansas City company, First Capital Bankcard, for allegedly scamming small business owners in the sale of credit card processing equipment.

**May 31:** Nixon reaches a settlement with Georgia-based ChoicePoint to resolve allegations that the company failed to adequately maintain the privacy and security of consumers' personal information.

**May 31:** Larry Keith Lawhon pleads guilty to charges he took several thousand dollars from consumers for cemetery headstones he did not deliver. He must repay almost \$20,000 in restitution.

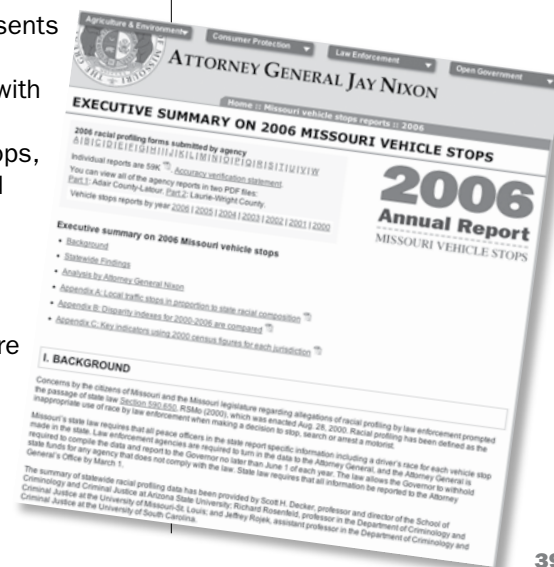
**May 31:** Nixon presents the Governor and General Assembly with his seventh annual report on traffic stops, providing racial and ethnic information about drivers who were stopped by Missouri law enforcement in more than 1.6 million traffic stops in the state during 2006.

## JUNE

**June 4:** Nixon seeks the removal of the executive director, president and treasurer of the Carthage Humane Society for failure to properly administer and account for the organization's charitable assets. On **Dec. 28**, Nixon files proposed consent orders that will enable the Humane Society to move forward in fulfilling its charitable purpose.

**June 7:** IFC Credit Corp., an Illinois finance company, is sued for trying to collect more than \$1 million in fraudulent debt from at least 40 Missouri small businesses and nonprofits taken in by a telecommunications scam.

**June 8:** Nixon files motions with the Missouri Supreme Court requesting execution dates for 10 capital punishment inmates after a ruling that the state's lethal injection procedure is constitutional under the Eighth Amendment.



**June 8:** Tiffany McCord of Kansas City faces a lawsuit for engaging in title fraud and continuing to run her auto dealership after her dealer's license was revoked.

**June 8:** The Highway Patrol is given 178 names of convicted sex offenders identified as having pages on MySpace.com, in an effort to look for potential parole violations by offenders who may be barred from using a computer or contacting minors. By **year's end**, Nixon's office provides 688 names to the patrol.

**June 12:** Missouri receives over \$150,000 to settle a lawsuit against the makers of the popular oral contraceptive Ovcon for preventing generic versions of the product from reaching consumers.

**June 13:** Nixon reaches an agreement with Smithfield Foods, the world's largest hog producer, to protect jobs in north central Missouri, preserve contracts with Missouri farmers, keep intact groundbreaking technology to protect the environment and establish \$250,000 in scholarships for students at the University of Missouri.

**June 13:** Seven people are indicted on federal charges for using stolen identity information from mid-Missourians to set up phone service to communicate with inmates at state corrections centers, resulting in over \$80,000 in phone charges.

# A Year-end Review for 2007



**July 13:** Missouri families wanting to adopt children have a new resource to help them. *Welcome Home*, a self-help booklet developed by a task force of 16 adoption experts working with the Attorney General's Office, was unveiled at a news conference in Columbia. With Nixon is (from left) task force members Christine White of Lutheran Family and Children's Services; Mary Beck, a law professor at the University of Missouri-Columbia; and Michelle Windmoeller of the Adoptive Parents Network of Central Missouri.

**June 26:** Michael Schlup, developer of luxury condominiums at the Lake of the Ozarks, pleads guilty to 14 criminal charges that he failed to withhold taxes from his workers, many undocumented, or remit payroll taxes and file the appropriate return with the state. On **Dec. 17**, Schlup is sentenced on state tax charges and must pay over \$980,000.

**June 27:** Nixon takes legal action for the Missouri

Department of Agriculture to be appointed trustee and receiver of Lamar Grain and Feed, after an investigation reveals the defunct business had grain payables exceeding \$100,000 when it closed in May.

## KNOW MO

Look up consumer complaints: [ago.mo.gov](http://ago.mo.gov)

**June 27:** The owner of a St. Clair gas station will pay \$15,000 to the state and take corrective action to ensure the safety of three underground storage tanks, under a court order obtained by Nixon.

**June 28:** Former Neosho police officer Justin Pickup is charged with endangering the welfare of a child for supplying alcohol to 16-year-old Kassie Schenck, who died of injuries from a car crash the day after Pickup allegedly purchased vodka and gave it to her.

## JULY

**July 2:** Missourians who lost money in a dot.com stock sale scheme will receive another \$8,750 in restitution from Rose Laboratories in an order obtained by Nixon.

**July 11:** America OnLine will give refunds to over 150 Missouri consumers and reimburse the state \$45,000, as well as change its policies regarding consumer cancellation and retention, as part of a multistate settlement.

**July 12:** Nixon unveils the "KnowMO" Web page, a new consumer tool that allows Missourians to look up consumer complaints from a database of over 100,000 complaints.

**July 12:** Nixon announces 7,325 Missourians are eligible for \$3.6 million in



restitution from Ameriquest Mortgage, the nation's largest subprime lender, in a \$325 million national settlement of a predatory lending lawsuit against the company.

**July 12:** J.H. Berra Construction Co. and several other St. Louis developers are ordered to pay \$590,000, the largest penalty for a land disturbance case in Missouri, for polluting streams and lakes with runoff from three construction sites.

**July 18:** The owner of Peerless Landfill in Valley Park must complete installation of a gas management system to adequately control methane and other gases migrating from the landfill, under a consent judgment obtained by Nixon.

**July 24:** Nixon sues the Police Protective Fund to stop misleading and harassing calls to Missouri residents claiming that donations will help the families of law enforcement officers who die on the job. On **Sept. 6**, the fund is ordered to stop violating state consumer protection laws and calling residents on the No Call list.

**July 24:** A St. Louis circuit judge permanently bars two companies in Florida and Texas from making telemarketing calls into Missouri and orders them to pay \$155,000 to the state for violating the state No Call law.

**July 24:** Daniel H. Cahill, operator of Best Built Fence in Overland, is arrested on a grand jury indictment charging



**Sept. 8:** Columbia-area residents helped protect themselves against identity theft by shredding over 6,000 pounds of confidential documents at Shred Day. The event was sponsored by the Attorney General's Office, Better Business Bureau and U.S. Postal Inspection Service. Cintas Document Management donated a shred truck. Office Depot donated several home shredders. Staff from the Attorney General's Office and other agencies, as well as other volunteers, helped consumers. Early arrivals Bill Watts and his dog Dandy get a free shredder from a consumer protection staff member of the Attorney General's Office.

him with defrauding four St. Louis-area homeowners and one business owner by contracting services but not completing the work.

**July 27:** A St. Louis judge permanently bars telemarketers in Las Vegas and California from making telemarketing calls to Missouri residents and orders them to collectively pay \$330,000 to the state for violating the No Call law.

**July 27:** Second-degree murder and armed criminal action charges are filed

against a Buffalo man, Bradley J. Jennings, for the Christmas 2006 death of his wife, Lisa.

## AUGUST

**Aug. 1:** Assistant attorney general Cyrus Dashtaki is selected to the 2007-08 Missouri Bar Leadership Academy. Participants complete leadership training, attend meetings and workshops, and develop a class community service project.



**Aug. 7:** Nixon sues Bazaar Frenzy Concession Trailers for allegedly taking thousands of dollars from customers across the country to build trailers, but delivering shoddy trailers weeks or months after the promised delivery date.

**Aug. 7:** The state Medicaid program will receive \$462,926 from a Maysville pharmacy being investigated for Medicaid fraud by Nixon's office.

**Aug. 14:** Purdue Pharma, the maker of Oxycontin, will pay \$5.8 million to the state Medicaid program in a nationwide \$634 million settlement to resolve claims it improperly marketed Oxycontin to health care providers with false claims.

**Aug. 17:** A court upholds the conviction and death sentence of meth dealer John Middleton. He killed a fellow meth dealer in Harrison County in 1995.

**Aug. 17:** Nixon ensures consumers have ready access to information about recent product recalls through his Web site. On **Nov. 14**, Nixon works with other attorneys general in looking at specific toy makers and the problem of lead in children's products and urges holiday shoppers to get latest information on recalls.

**Aug. 30:** Under a nationwide settlement with Missouri and 35 other states, Guidant Corp. will pay Missouri \$390,000 to resolve concerns over Prizm, an implantable heart defibrillator. Guidant continued to sell it knowing it could short circuit.

**Aug. 31:** Doxy Lingerie, a St. Louis-based Internet business, pays \$22,863 in restitution or merchandise in a judgment obtained by Nixon.

## SEPTEMBER

**Sept. 11:** Nixon offers an online complaint form for Sunshine Law violations as part of his commitment to open government.

**Sept. 14:** Nixon obtains a temporary restraining order against James Barbee, owner of a Web site that solicited donations purportedly for military- and veterans-related causes.

**Sept. 14:** The Attorney General's Office files an assault charge against William Brian Hawkins of West Plains, alleging he seriously injured a 17-month-old girl by shaking her.

**Sept. 18:** Kenneth J. Mers, owner of AMRP Construction, is indicted on charges he defrauded St. Louis-area homeowners by not completing repairs or honoring warranties.



**Sept. 19:** Nixon charges eight condominium developments at Lake of the Ozarks, including the one above, with violating

# A Year-end Review for 2007



**Sept. 12:** Nixon helps launch *We Don't Serve Teens Week* at a news conference in St. Louis. The week calls attention to the problem of teens obtaining alcohol from parents or other adults. Nixon is joined by representatives of The Century Council and of local wholesale beverage distributors. The nonprofit Century Council is funded by major alcoholic beverage makers and is a main sponsor, along with the Federal Trade Commission, of the *We Don't Serve Teens* initiative.

the Missouri Human Rights Act by discriminating against the disabled and asks that they be ordered to be redesigned and retrofitted to comply with the law.

**Sept. 26:** The owner of a St. Louis metal goods repair shop must pay \$4,000 in restitution and other fees for accepting payment to repair or refinish

metal goods but doing little or no work.

**Sept. 26:** Missouri and 10 other states voice antitrust concerns about a proposed acquisition of Laidlaw, the nation's largest provider of contracted student busing services, by FirstGroup, the second largest provider.

**Sept. 28:** Nixon's office receives new reports from consumers about a jury duty scam, a popular identity theft trick where residents receive phone calls from individuals posing as officers of state and federal courts in an attempt to steal personal information.

**Sept. 28:** Nixon sues Dena and James Baumann for not refunding consumers who paid for large-scale national advertising campaigns that did not take place.

## OCTOBER

**Oct. 1:** Missouri Lawyers Weekly recognizes Allison Whitmer with a Best Legal Secretary award. The magazine recognized 100 legal secretaries statewide. She was nominated by co-workers Deborah Price and Trevor Bossert, both consumer protection attorneys.



**Oct. 3:** Nixon moves to stop a secretly proposed bailout that would provide more than \$4 million in additional state tax credits to Gundaker Commercial Group, even after Gundaker's O'Fallon Lakes project was found to be using undocumented workers.

**Oct. 4:** Ticketmaster agrees to make available to the public about 2,000 tickets to Hannah Montana concerts in St. Louis and Kansas City through a balanced and fair distribution system under an agreement



with Nixon. The actual number of tickets made available to fans exceeds 2,900.

**Oct. 5:** Nixon files felony stealing, felony failure to file tax returns and felony making false statements on a tax return charges against Sylvia Bray and her son, Joshua, for allegedly stealing more than \$140,000 from an elderly woman in their care who was suffering from dementia.

**Oct. 11:** The U.S. Attorney's Office for the Eastern District of Missouri honors director of consumer investigations Don King at its annual awards ceremony. King and the AG's Office were recognized for their assistance with investigations and cases involving consumer protection laws.

**Oct. 12:** Nixon files an ouster petition against Holden mayor Michael Wakeman on grounds that he violated the nepotism provision of the Missouri Constitution by appointing his brother-in-law as fire chief.

**Oct. 12:** James Hill will repay \$9,500 to nine hunters who paid for deer and turkey hunting trips they did not receive in an agreement obtained by Nixon.

**Oct. 12:** California telemarketer LuVoo.com will pay \$15,000 to the state and comply with the No Call law for calling Missourians on the No Call list offering memberships to an online dating service.



**Oct. 16:** Nixon asks the U.S. Army Corps of Engineers to suspend plans for a spring rise in 2008 on the Missouri River because at least 40 levees still need to be repaired from prior flooding.

**Oct. 17:** Assistant attorney general Bob Carlson is elected to the board of directors for the National Association of State Charity Officials. It is composed of state offices that oversee U.S. charitable organizations.



**Oct. 18:** Real Wealth Inc. and director Lance Murkin will pay \$6,459 in restitution for taking payment from consumers in exchange for information on non-existent grants.

**Nov. 5:** Employees of the AG's Office donated nearly 900 pounds of food to the Central Missouri Food Bank. The donations will provide 675 meals. The Office Committee organized the food drive. Office Committee officers Jennifer Gardner and Mike Cherba, right, presented the food to Mike Bruns of the Central Missouri Food Bank.

**Oct. 23:** VIP Comm and owner Mike Ballas are permanently barred from faxing ads to Missouri after inundating small businesses with unwanted junk faxes.

**Oct. 26:** A consent judgment obtained by Nixon requires the Northside Youth Association to be dissolved and its land assets given to another non-profit corporation that serves disadvantaged youth. The directors used assets from the nonprofit for personal gain.

**Oct. 26:** Nixon obtains a temporary restraining order against Telelytics to prohibit it from making telemarketing robo-calls to Missourians on the No Call list.

**Oct. 29:** Nixon sues Greene County Choppers for taking over \$54,000 in payments for motorcycles or motorcycle

parts but failing to deliver the items or refunds to consumers.

**Oct. 31:** Nixon presents Hannah Montana tickets, donated through agreements with brokers, to Big Brothers Big Sisters of Greater Kansas City, Boys & Girls Clubs of Greater Kansas City, Make-A-Wish Foundation, and Dream Factory of Greater Kansas City.

## NOVEMBER

**Nov. 8:** Brian Ecker must pay more than \$117,000 in restitution and penalties and is permanently barred from the pool construction business for getting large deposits from homeowners then doing minimal or no work.

**Nov. 14:** At its annual conference, the statewide Adoption and Foster Care Coalition recognizes Nixon for his efforts to promote adoption. His office created *Welcome Home*, a free publication that describes the legal, financial and emotional aspects of adopting a child.

**Nov. 15:** Nixon appoints an independent investigative team, led by a former head of the Highway Patrol, to look into multiple allegations received by the Attorney General's Office that the Governor's Office and Office of Administration are not in compliance with Missouri's records retention and Sunshine laws.

**Nov. 16:** Nixon obtains a temporary restraining order against GoTickets for scalping tickets for a sold-out football game between the University of Missouri and Kansas University.

**Nov. 21:** Nixon sues Cremation Society of Kansas and Missouri and its directors for selling pre-need funeral plans in Missouri without a license.

**Nov. 30:** Eric Karl Moore, owner of Moore General Contracting and Inspection Compliance Service, will pay \$81,495 in restitution and costs and is permanently barred from selling home repair services in Missouri.

**Nov. 30:** Nixon recovers over \$125,000 for the Missouri Medicaid program through a multistate settlement with drug maker Medicis for improperly marketing the topical drug Loprox.

## DECEMBER

**Dec. 3:** Nixon freezes assets of a Joplin promoter who took money from vendors for a Christian music festival that was canceled and a tattoo convention that was postponed. On **Dec. 20**, Derrick Gates consents to a preliminary injunction requiring him to post a \$200,000 bond with the court before advertising or taking more money for events.

**Dec. 4:** Nixon works with other attorneys general to file a brief with the U.S. Supreme Court in support of an individual's right to keep and bear arms

# A Year-end Review for 2007



**Nov. 6:** Nixon swears in Joi Cunningham as an assistant attorney general in the Governmental Affairs Division.

under the Second Amendment to the U.S. Constitution.

**Dec. 5:** Mary Bolling, former director of Gateway to a Cure, will pay \$5,000 in consumer restitution and is permanently barred from fundraising, holding raffles or serving as director of a nonprofit in Missouri.

**Dec. 5:** Patricia Pohlman and Debra Clines of Apollo Travel in Florissant face criminal charges they allegedly defrauded customers in the sale of vacation travel packages.

**Dec. 6:** Nixon says he will appeal a ruling from a three-judge panel of the 8th U.S.

Circuit Court of Appeals to stop the enforcement of a Missouri law prohibiting protests at military funerals.

**Dec. 7:** J.R. Wright, who did business as The Fire Extinguisher Guy and who misrepresented that the extinguishers he sold and the work he performed on them met national safety standards, will now comply with the law and pay \$3,696 in restitution.

**Dec. 12:** Nixon settles with Sharon and Shelly's Pawn in Wright County over faulty business practices; customers will receive more than \$5,000 in restitution.

**Dec. 13:** Nixon obtains a judgment against Success Systems for selling "credit repair" services to consumers who received no improvement in their credit reports as promised. The court ordered restitution and penalties of \$122,000.

**Dec. 14:** Star Reservations is permanently barred from selling vacation packages, travel club memberships, hotel lodging or timeshares and must pay \$70,653 in consumer restitution, under a

judgment obtained by Nixon.

**Dec. 19:** Nixon proposes legislation to suspend businesses using undocumented workers for first offenses and permanently bar second-time offenders from doing business in Missouri.

**Dec. 20:** An Oklahoma drywall contractor faces criminal charges for failing to withhold payroll taxes from its construction workers and remit those taxes to the state.

**Dec. 20:** The AG's Office raises over \$1,000

in monetary, food, and gift donations for three needy families through the Voluntary Action Center in Columbia. Over 100 gifts were donated.

**Dec. 21:** Community Development Corp. of Kansas City will undertake several environmental projects, worth an estimated \$400,000, and pay a \$50,000 penalty as part of a settlement with Nixon.

**Dec. 27:** Nixon's office recovers more than \$853,000 from Missouri inmates for the cost of their care in 2007.

**Dec. 31:** The Consumer Protection Division recovers nearly \$9.3 million for consumers through informal mediation in 2007, breaking the record of \$5.4 million set in 2006.







